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ABSTRACT

A study of the labor exchange performance of the Employment Service showed that even after adjusting for differences in economic and demographic conditions, local offices and states varied greatly in their ability to place applicants in jobs. The performance measures examined were placement rate, permanent placement ratio (defined as the percentage of placements in jobs expected to last over 150 days), and placement wage ratio (defined as the average placement wage as a percentage of average community wage). Local offices that were stronger performers tended to be concentrated in certain states, indicating that the policies and practices of individual states may contribute to the variations in performance. The concentrations were not related to the level of resources extended per applicant. States with higher concentrations of above average performing offices included Florida, Georgia, Massachusetts, New Hampshire, North Carolina, and South Carolina, all of whom had twice the rate of offices with above average performance on all three measures as compared with the national average. Michigan, New Jersey, Rhode Island, and West Virginia all had more than double the national percentage of offices with below average performance for all three measures examined. Although Employment Service workload stayed about the same from 1980 to 1987, fewer offices provide one-on-one assistance during intake or providing counseling or testing services. (Includes 7 tables, 18 figures, and 13 references.) (CML)

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GAO

United States General Accounting Office

Briefing Report to the Chairman, Subcommittee on Employment Opportunities, Committee on Education and Labor, House of Representatives

August 1989

EMPLOYMENT SERVICE

Variations in Local Office Performance

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United States
General Accounting Office
Washington, D.C. 20548

Human Resources Division

B-236064

August 3, 1989

The Honorable Matthew G. Martinez
Chairman, Subcommittee on
Employment Opportunities
Committee on Education and Labor
House of Representatives

Dear Mr. Chairman:

This briefing report responds to your request for information to assist the Subcommittee in exploring whether the Employment Service (ES) has the potential to become a more effective part of an integrated employment and training structure. This is a particularly relevant issue because it is generally acknowledged that over the last two decades the position of the Employment Service in the nation's employment and training strategy has eroded. Recently, however, experts on employment and training issues have questioned the limited role of ES in the nation's employment policy. For example, in its 1986 report, the Secretary of Labor's Task Force on Economic Adjustment and Worker Dislocation concluded that the Employment Service had the potential to provide basic labor-exchange services, such as intake, assessment, and referrals for dislocated workers. In addition, others have suggested that ES assume a broader role in the entire employment and training system.

This report provides certain basic information on the Employment Service regarding (1) variations in local ES performance across the nation and by state and (2) changes during the 1980s in the extent to which applicant services, such as counseling and testing, are provided. This information was presented to your staff during our April 25, 1989, briefing. A later report will analyze the relationship between performance and state and local employment service management policies and practices. It will also address the Department of Labor's role in providing policy guidance and in monitoring and managing the ES program.

This report is based on information from a national database we constructed on the Employment Service's "labor exchange" activities to support this and other work for your Subcommittee. Our database contains performance-related information on the 1,772 local ES offices in the 50 states and the District of Columbia[1] for the period July 1, 1986, to June 30, 1987. During 1988 we also obtained information on state and

[1]The analysis for this report is based on data from local offices in 47 states—complete data were not available for local offices in Delaware, Hawaii, New York, and the District of Columbia.

local operations through telephone interviews with 438 local office managers, a written survey of state directors, and site visits to 7 state and 14 local offices.

To provide insight into local office and state performance, we used three measures: (1) job placement, (2) placements in permanent jobs, and (3) placement wage. We selected these measures because they are relevant to a primary goal of a labor exchange—placing applicants in permanent jobs at competitive wages. In addition, these measures were consistently defined across states and used by some states to assess local office performance. We then adjusted these measures to correct for differences in demographic and economic conditions for the labor market area served by each local office.

To assess the change in the availability of applicant services, we focused on three critical areas of service: (1) the applicant intake and registration process, (2) counseling, and (3) testing. We selected these services because research has shown that individualized assistance to applicants during intake and registration, and counseling and testing services are important components of a successful placement program.

Background

The Employment Service—a joint federal-state effort—provides a labor exchange for persons seeking work and employers with jobs to fill. ES registers unemployed workers seeking employment, solicits job openings from employers, and refers qualified jobseekers to jobs. Started in 1933, the Employment Service provides job search assistance to over 18 million applicants a year.

Over the years, however, other employment training programs, such as the Job Training Partnership Act, each with its own outreach and placement activities, have been enacted to assist the unemployed. The existence of these additional programs has raised questions about the proper role of the Employment Service in the U.S. employment training structure. Since 1982, when amendments to ES legislation increased state flexibility in planning ES operations, the Department of Labor opted to reduce its monitoring of state and local office activities. In addition, funding for the Employment Service has not kept pace with inflation, although its workload has remained roughly constant.

Overview

Our analysis of the labor exchange performance of the Employment Service showed that, even after adjusting for differences in economic and

demographic conditions, local offices and states varied greatly in their ability to place applicants in jobs. Some local offices were clearly stronger performers than others, and tended to be concentrated in certain states. These concentrations likely indicate that local office performance is more than a random occurrence and that the policies and practices of individual states may contribute to the variations in performance.

These concentrations of above and below average performance were not related to the level of resources expended per applicant. For example, regardless of whether states had offices performing above or below average for each of the three performance measures, they tended to spend about the same amount per applicant. However, above average performing states spent less per placement than below average performing states.

Based on an analysis of three key applicant services—(1) intake and registration, (2) counseling, and (3) testing—the Employment Service is providing less individualized assistance to applicants and less guidance to applicants in identifying career choices than in the past. State officials attributed this decline in services to cutbacks in federal resources. While the reduction in services, such as the use of group intake during registration, allows staff to process more applicants, the average cost per placement was higher in states that used the group intake method.

Variations in Performance

There were variations among the local offices for each of the three performance measures in our analysis, namely (1) placement rate, (2) permanent placement ratio (defined as the percentage of placements in jobs expected to last over 150 days), and (3) placement wage ratio (defined as the average placement wage as a percentage of average community wage[2]). Even after adjusting for differences in economic and demographic conditions, some offices were three times more likely than others to place applicants; specifically, placement rates ranged from over 30 percent in some offices to below 10 percent in others. Similarly, the percentage of those placements that were in permanent jobs ranged among offices from 80 percent or more to less than 40 percent. As a result, at some offices applicants were four times more likely to be placed in a permanent job than at others. The percentage of applicants placed in permanent jobs ranged from 20 percent or more in some

[2]The average community wage, which was obtained from the Bureau of Labor Statistics, is based on the average hourly wage of private sector, nonsupervisory workers by county.

offices to 5 percent or less in others. We found some variation in wage ratios; however, over half the local offices had wage ratios similar to the national average. (See app. II for a listing of average performance measures by state.)

Concentrations of Offices With Above or Below Average Performance

Local offices with above average performance tended to be concentrated in certain states. For example, six states—Florida, Georgia, Massachusetts, New Hampshire, North Carolina, and South Carolina—had twice the rate of offices having above average performance on all three measures as compared with the national average. Offices with below average performance also tended to be concentrated. Four states—Michigan, New Jersey, Rhode Island, and West Virginia—had more than double the national percentage of local offices with below average performance for all three measures.

States with above average performance on each of the three performance measures tended to spend about the same amount per applicant as states with below average performance. However, above average states had lower costs per placement than those below average. For example, states with above average placement rates spent about the same amount of funds per applicant as states with below average placement rates. However, above average performing states had a 23 percent lower cost per placement.

Number of Applicants Receiving Services Has Declined

Although the ES workload stayed about the same from 1980 to 1987, the number of local offices providing one-on-one assistance during intake or providing counseling or testing services to applicants declined. State officials attributed these declines to budget cutbacks, which have necessitated reducing and, in some cases, eliminating services.

For example, to save resources, 13 states opted to use a group intake method for registering applicants in more than half their offices. While this approach allows each staff member to register more applicants per day, it reduces the information available on applicants' interests, work history, and skill levels—information that is considered important in achieving successful job placements. Although using group intake may reduce the resources expended for intake, states using this method spent 12 percent more for each job placement.

Since 1980, the number of applicants counseled has declined by 50 percent, despite conclusions by researchers that counseling can play an

important role in assisting ES staff members in obtaining additional applicant information that can lead to more appropriate job matches. According to state officials, this decline is a result of budget cutbacks, which in turn necessitated reductions in the number of counselors. From 1981 to 1987, the number of full- or part-time counselors declined by 34 percent.

Testing is also considered an important service because it has been shown to improve assessments of applicant skills and abilities and to increase placements. Although no quantitative data are available at the national level on the extent of testing services, state officials told us that these services have also declined. Of the 14 offices we visited, 4 had eliminated all testing services, and 8 had reduced the proportion of applicants tested.

As requested by your office, we did not obtain official agency comments on this briefing report. We did, however, discuss its contents with Department of Labor and several state ES officials and have incorporated their comments where appropriate. We are sending copies of this report to the Secretary of Labor and other interested parties. Our work was conducted in accordance with generally accepted government auditing standards. The major contributors to this report are listed in appendix III.

Sincerely yours,

William J. Gainer
Director of Education
and Employment Issues

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Abbreviation

ES Employment Service

Employment Service: Variations in Local Office Performance

Background

The U.S. Employment Service (ES), established under the Wagner-Peyser Act of 1933, operates a labor exchange service for persons seeking work and for employers with jobs to fill. Operated by the Department of Labor's Employment and Training Administration, ES is a cooperative federal-state program, with Labor allocating funds collected from employers under the Federal Unemployment Tax Act, as well as providing general guidance and technical assistance. State governments operate local offices that serve applicants and employers.

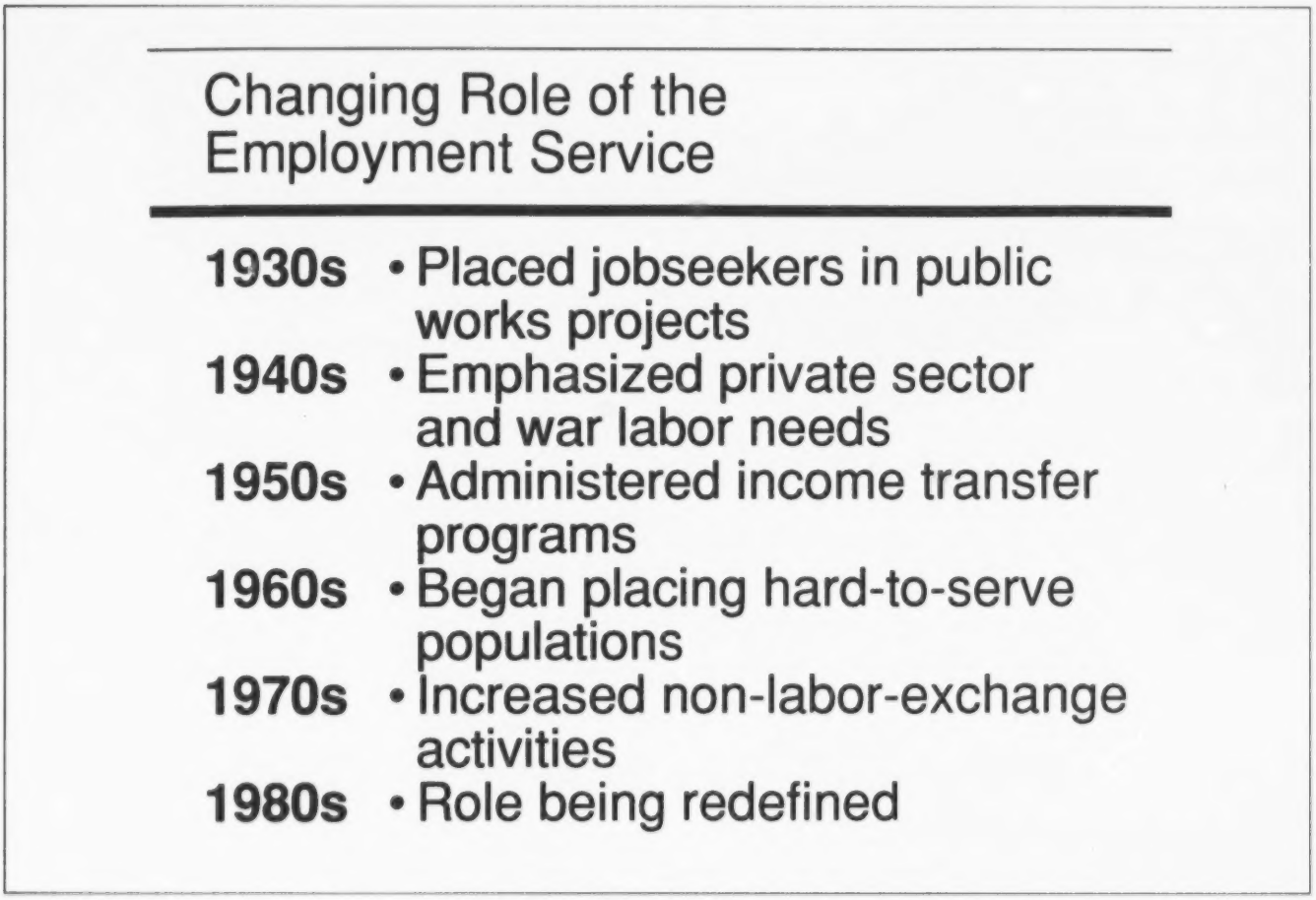
As shown in figure 1, ES's responsibilities have changed since its inception during the Great Depression. Initially, it screened and placed workers into federally funded public works projects created by the "New Deal." Since 1935, workers seeking unemployment insurance benefits have been required to register with the Employment Service for assistance in finding jobs. After World War II, the administration and enforcement responsibilities for various federal income transfer programs were given to ES, and attention began to focus on applicants that were difficult to place.

In the 1960s, ES was placing special emphasis on finding jobs for hard-to-serve groups, such as the economically disadvantaged and handicapped workers. By the 1970s, it had responsibility for numerous special programs, many of which involved non-labor-exchange activities. These activities, such as alien certification and housing inspections for migrant and seasonal farmworkers, did not directly relate to finding jobs or attracting qualified workers. In 1982, amendments to ES legislation were enacted to give states more flexibility in planning ES operations. Since then the Department of Labor has reduced its efforts to monitor state and local office activities.

As the Employment Service evolved, other programs, such as the Work Incentive program, the Comprehensive Employment and Training Act, and the Job Training Partnership Act, were enacted to help unemployed workers find jobs. With the establishment of these programs, each with its own outreach and placement activities, concern has been raised about the role of ES in the U.S. employment training structure. This concern has been compounded by questions regarding the Employment Service's effectiveness.

In October 1986, Labor held a series of hearings on the "Reexamination of the Purpose and Role of the Employment Service." It received responses from about 700 private citizens; veterans; employers; and federal, state, and local groups. Overwhelmingly, the respondents agreed

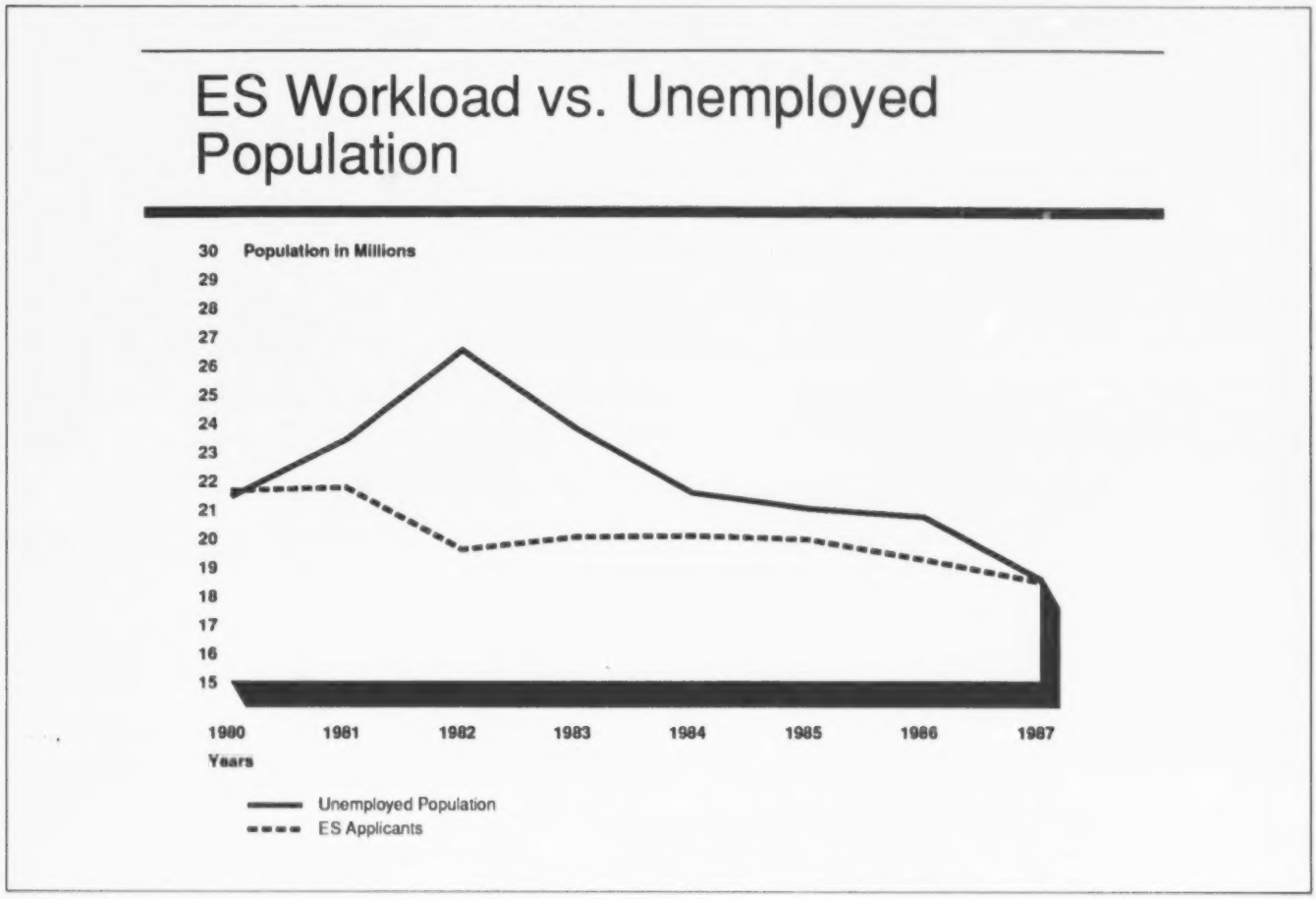
Figure 1:


Changing Role of the
Employment Service
1930s • Placed jobseekers in public works projects
1940s • Emphasized private sector and war labor needs
1950s • Administered income transfer programs
1960s • Began placing hard-to-serve populations
1970s • Increased non-labor-exchange activities
1980s • Role being redefined

that a public labor exchange is still needed. In addition, some commented that the Employment Service could provide basic services—such as intake, assessment, and referral services—for the entire employment training system. Others, however, suggested improvements, such as reducing responsibilities for non-labor-exchange activities and developing performance standards.

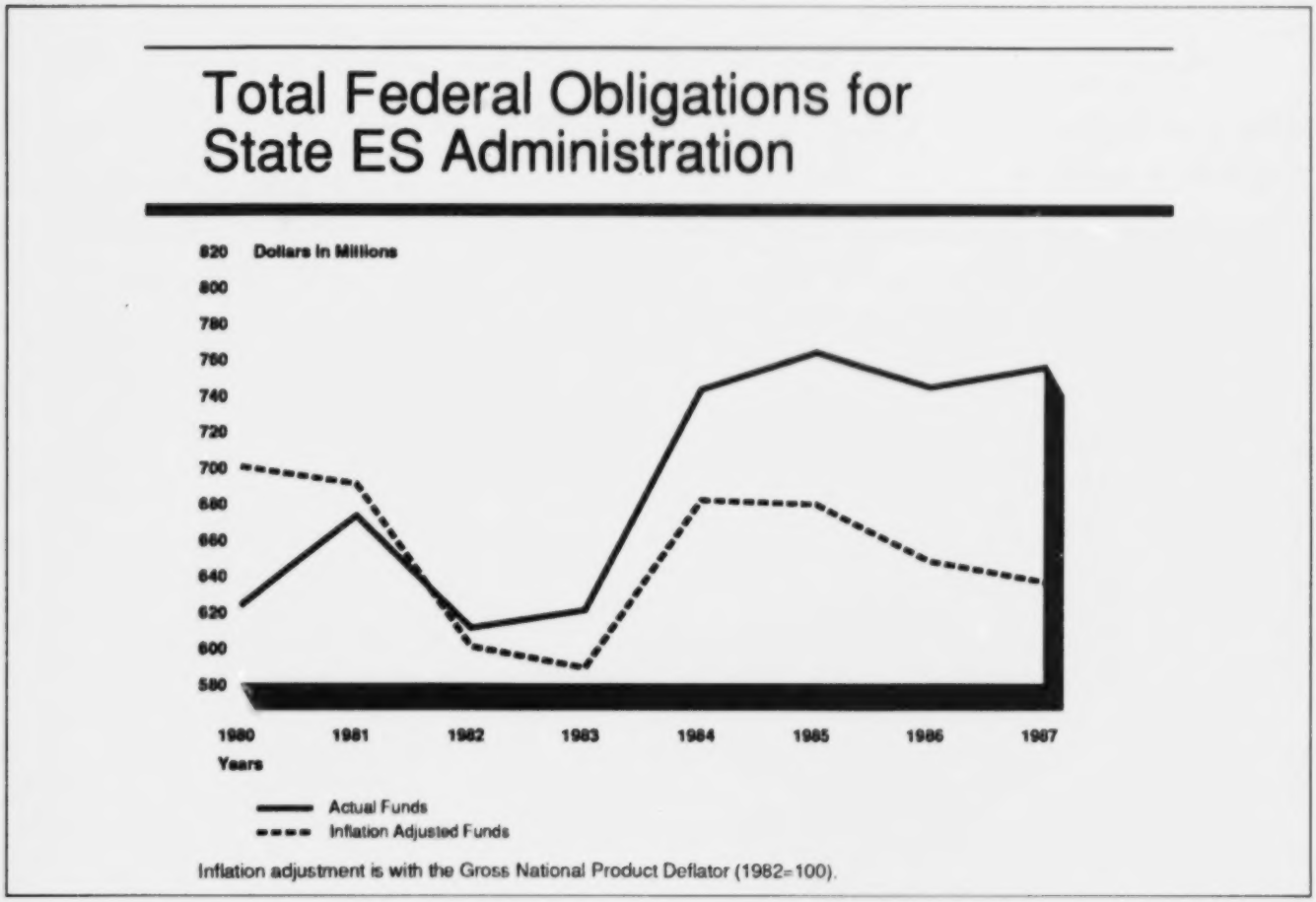
The Secretary of Labor's Task Force on Economic Adjustment and Worker Dislocation also recognized that the Employment Service is a logical candidate for delivery of basic labor market services, such as intake, assessment, and referral services, to dislocated workers. The Task Force suggested, however, that a refocusing of priorities on labor-exchange activities would be needed for ES to play a stronger role in delivering these services to these workers.

Figure 2:



As shown in figure 2, despite fluctuations in unemployment, the ES workload remained at roughly the same level between 1980 and 1987. The Employment Service registered an average of 20.1 million applicants per year. Labor figures show that after a 10-percent drop in the number of applicants served from 1981 to 1982, there was less than a 2-percent decline from 1982 to 1986. The decline in 1987 was slightly higher, however; the number of applicants dropped 4 percent to 18.4 million.

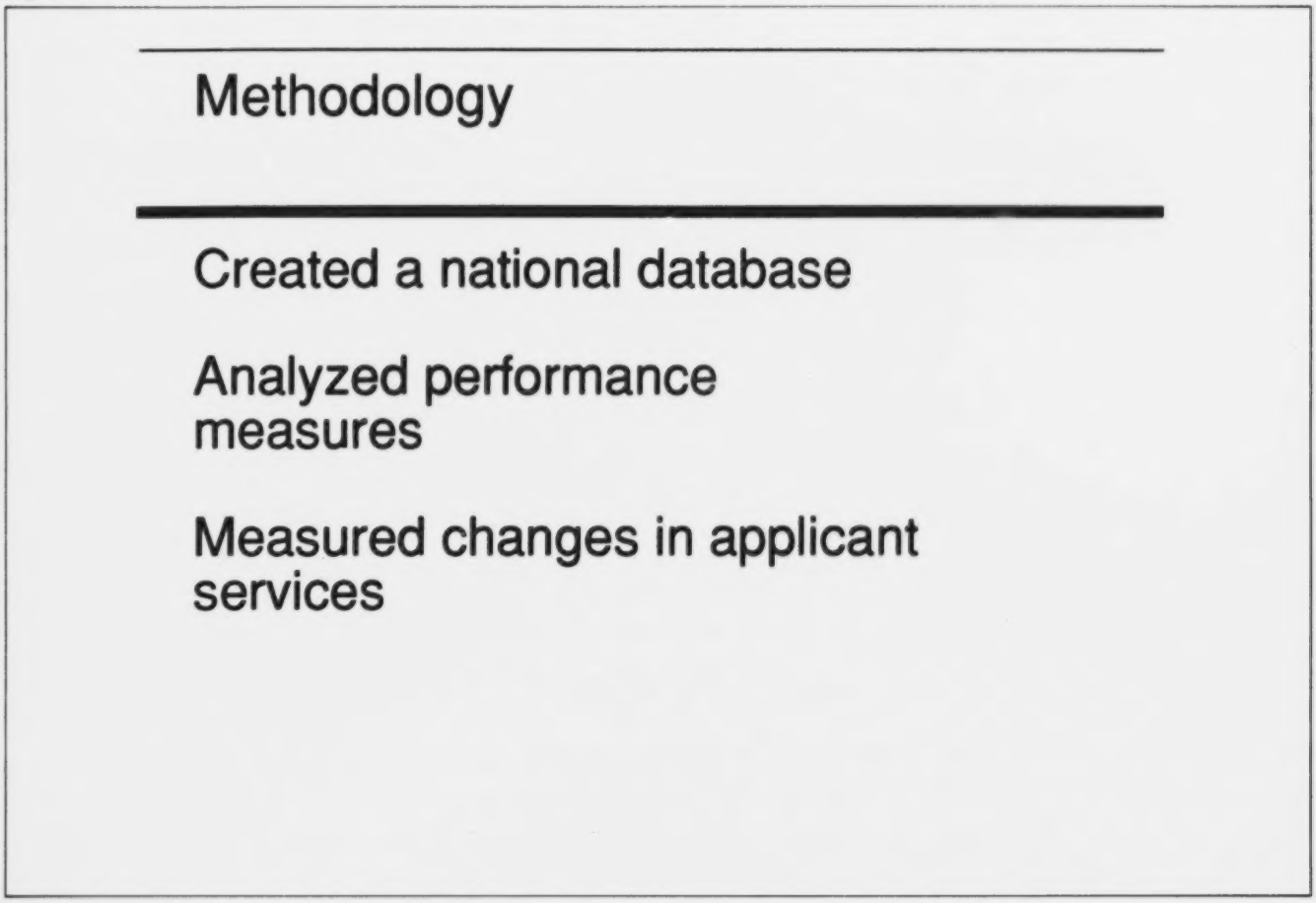
Figure 3:



Federal allotments to states for ES administrative funding have risen and fallen during the 1980s. As shown in figure 3, after a 9-percent decline in funds from 1981 to 1982, funding levels increased by 19 percent through 1987. However, when adjusted for inflation, funding declined by almost 7 percent from 1984 to 1987. Some states have used several alternative funding sources, including Job Training Partnership Act funding and state revenues, to compensate for decreases in federal funding. The number of states that reported using state funds for ES activities increased from 11 to 29 between 1980 and 1987.[1]

[1]Throughout this report the year is defined as October 1 through September 30 for 1980-83 and from July 1 through June 30 beginning in 1984.

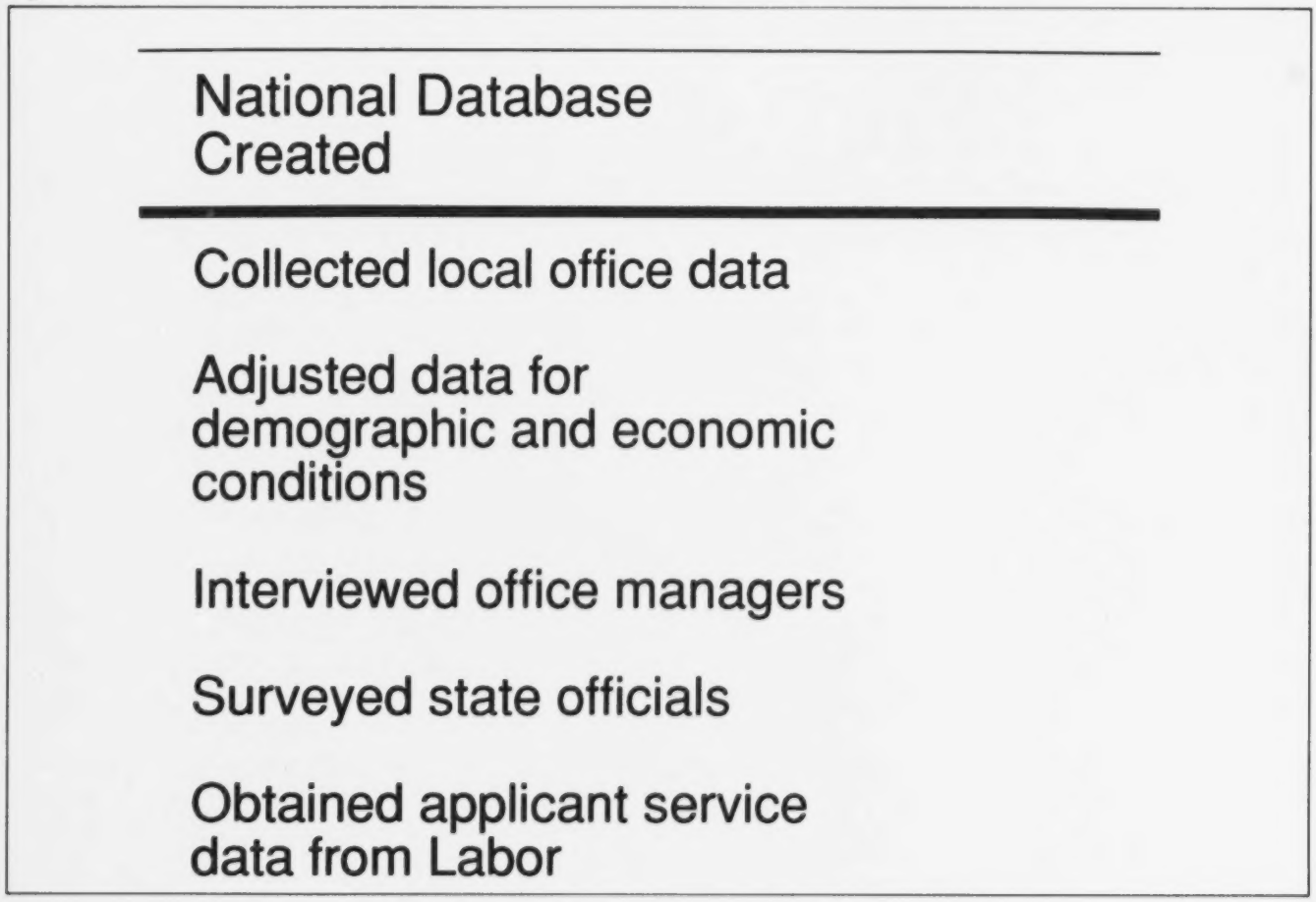
Figure 4:



Objectives, Scope, and Methodology

As a result of concerns about the role of the Employment Service, the Subcommittee on Employment Opportunities, House Committee on Education and Labor, asked us to review ES operations nationwide and provide information to help the Subcommittee explore whether the Employment Service could play a more integral role with other programs in the U.S. employment and training structure. We created a national database on ES labor exchange operations, including state and local office performance and the extent to which the Employment Service provides services to applicants (see fig. 4). Information in the database enabled us to compare performance and applicant services between local offices.

Figure 5:


National Database Created
Collected local office data
Adjusted data for demographic and economic conditions
Interviewed office managers
Surveyed state officials
Obtained applicant service data from Labor

As shown in figure 5, to create this database, we obtained performance data collected by the states and the District of Columbia on each of the 1,772 local ES offices for the period July 1, 1986, to June 30, 1987.[2] This information included the number of applicants, the number of placements, the number of permanent placements, and the average placement wage. To account for differences in particular circumstances that may affect local office performance, we adjusted these data for differences in demographic and economic conditions using county data obtained from

[2]The analysis for this report is based on data from local offices in 47 states—complete data were not available for local offices in Delaware, Hawaii, New York, and the District of Columbia.

the Bureau of Labor Statistics and Bureau of the Census. This information included unemployment rates and the percentage of youth, females, and blacks in the counties served by each office.

Additional information on state and local operations was obtained from structured telephone interviews with 438 local office managers and a mail survey of state directors in all 50 states and the District of Columbia. These officials provided us information on local and state policies and practices related to (1) the intake and registration process; (2) counseling and testing services; and (3) staffing and funding levels. We also visited 7 state and 14 local offices and obtained information on applicant services from the Department of Labor.

Our analysis of state and local performance outcomes was based on three measures: (1) job placement rate, (2) permanent placement ratio (percent of placements in jobs expected to last over 150 days), and (3) placement wage ratio (average placement wage as a percentage of average community wage[3]) (see fig. 6). We selected these measures because they are relevant to the primary goal of a labor-exchange activity—placing applicants in permanent jobs at competitive wages. In addition, states defined these measures consistently, and some states used them in assessing local office performance.

These measures provide a basis for comparing local office performance; however, because we cannot control completely for demographics of applicants or conditions of the labor market, some caveats are necessary. Namely, because no standards exist for these performance measures, one cannot automatically conclude that offices with above average performance are effective. In addition, because of differences in program objectives and expenditures per applicant, it is inappropriate to compare these performance measures with those of other employment and training programs.

[3]The average community wage was obtained from the Bureau of Labor Statistics and is based on the average hourly wage of private-sector, nonsupervisory workers by county.

Figure 6:

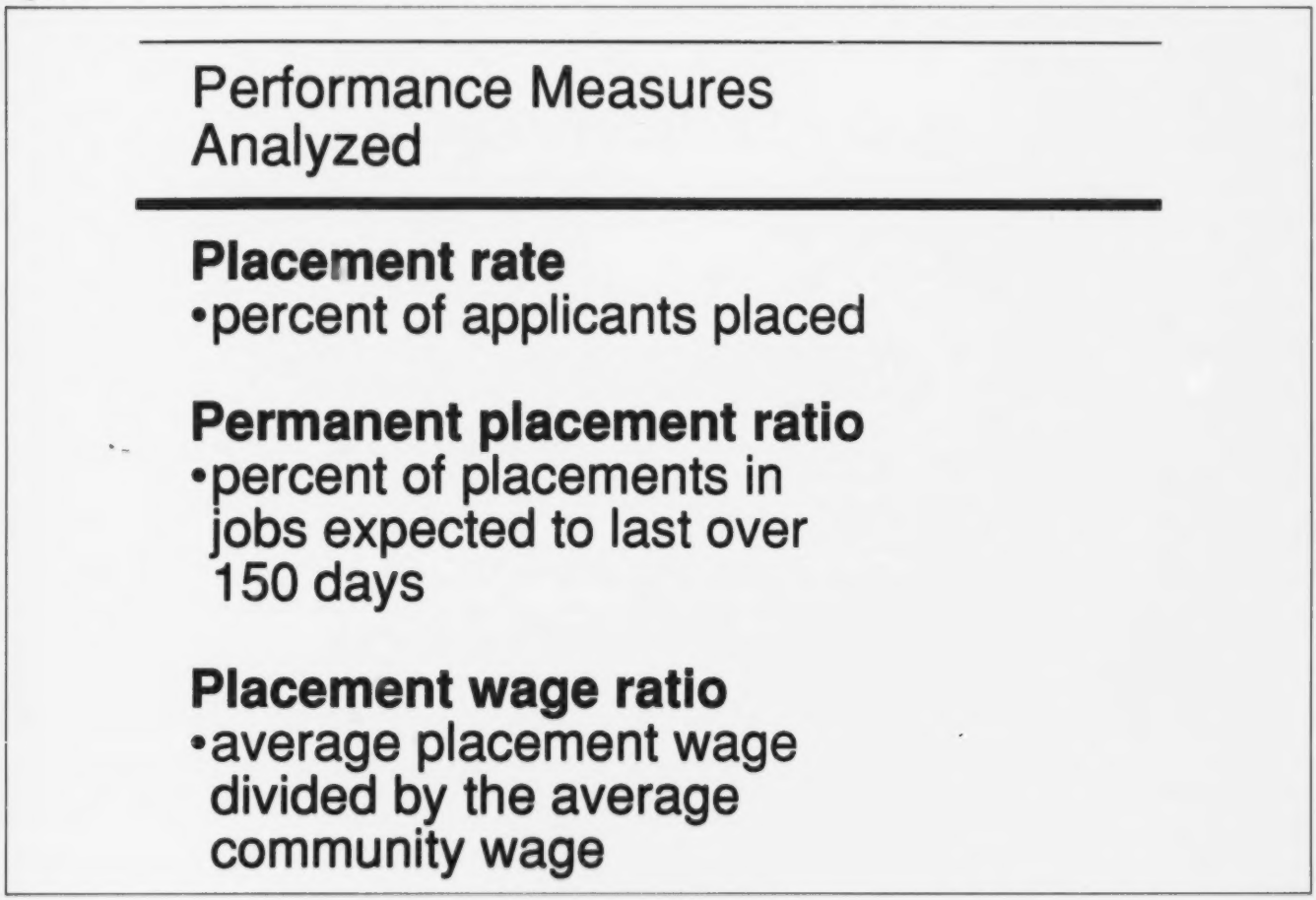
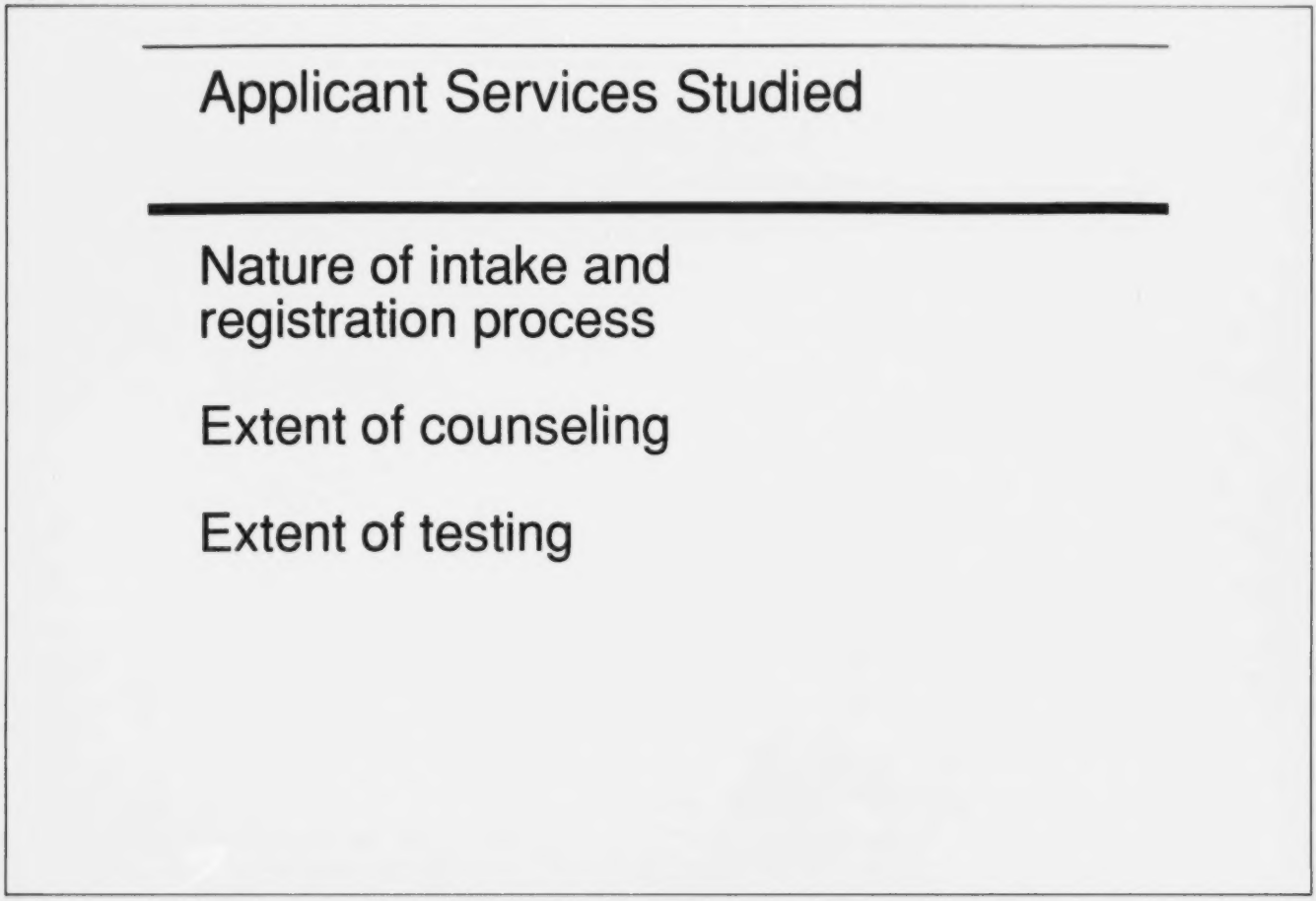
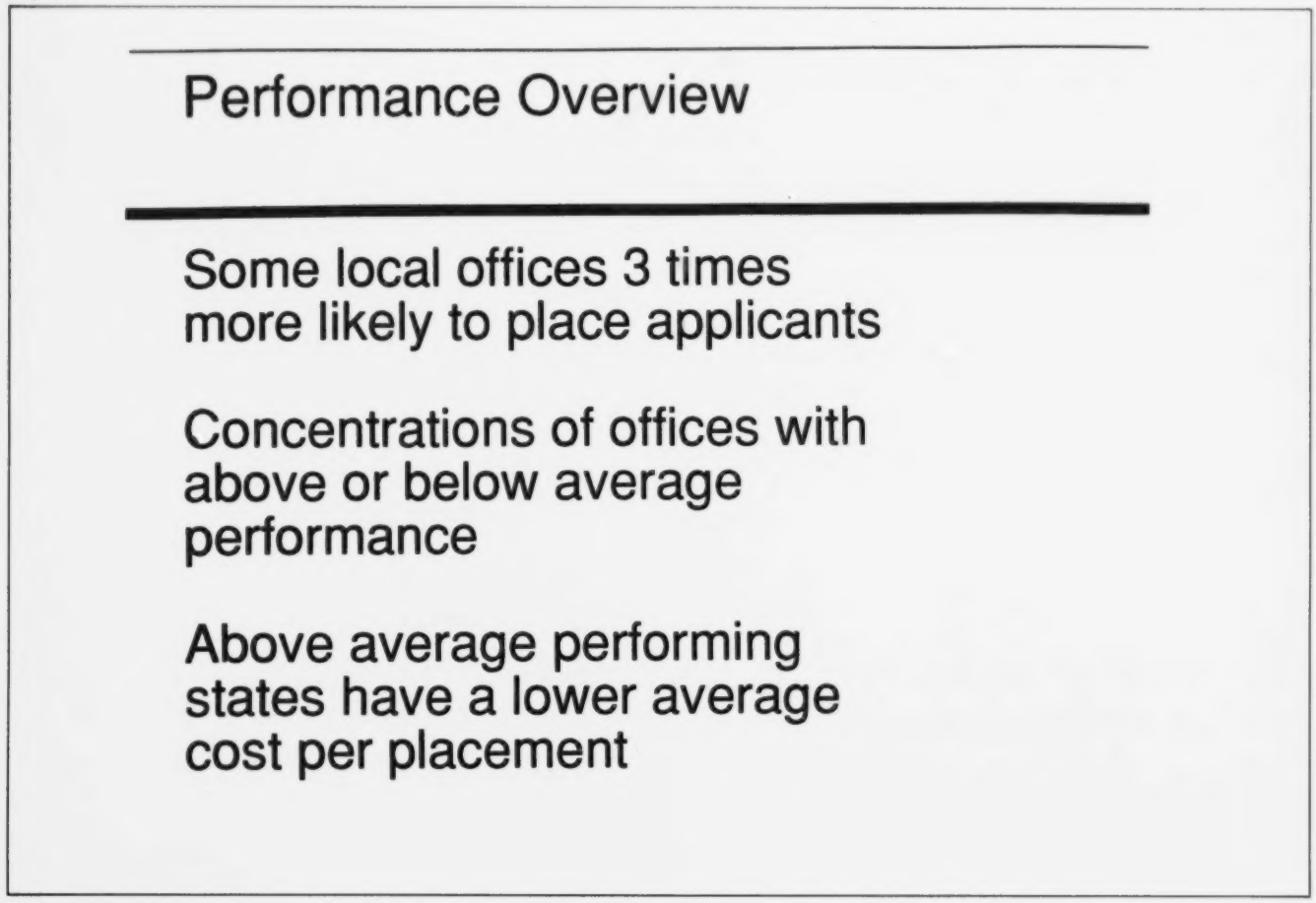

Performance Measures Analyzed
Placement rate
•percent of applicants placed
Permanent placement ratio
•percent of placements in jobs expected to last over 150 days
Placement wage ratio
•average placement wage divided by the average community wage

Figure 7:



In our review of applicant services, we focused on changes in three activities: (1) the intake and registration process, (2) counseling, and (3) testing (see fig. 7). To determine the extent to which ES staff provided these services, we reviewed Labor information on counseling services during 1980-87 and obtained information from our telephone survey of local office managers concerning the intake and registration process. Based on this information we further analyzed the differences in intake methods used by local offices and the overall decline in counseling services.

Figure 8:

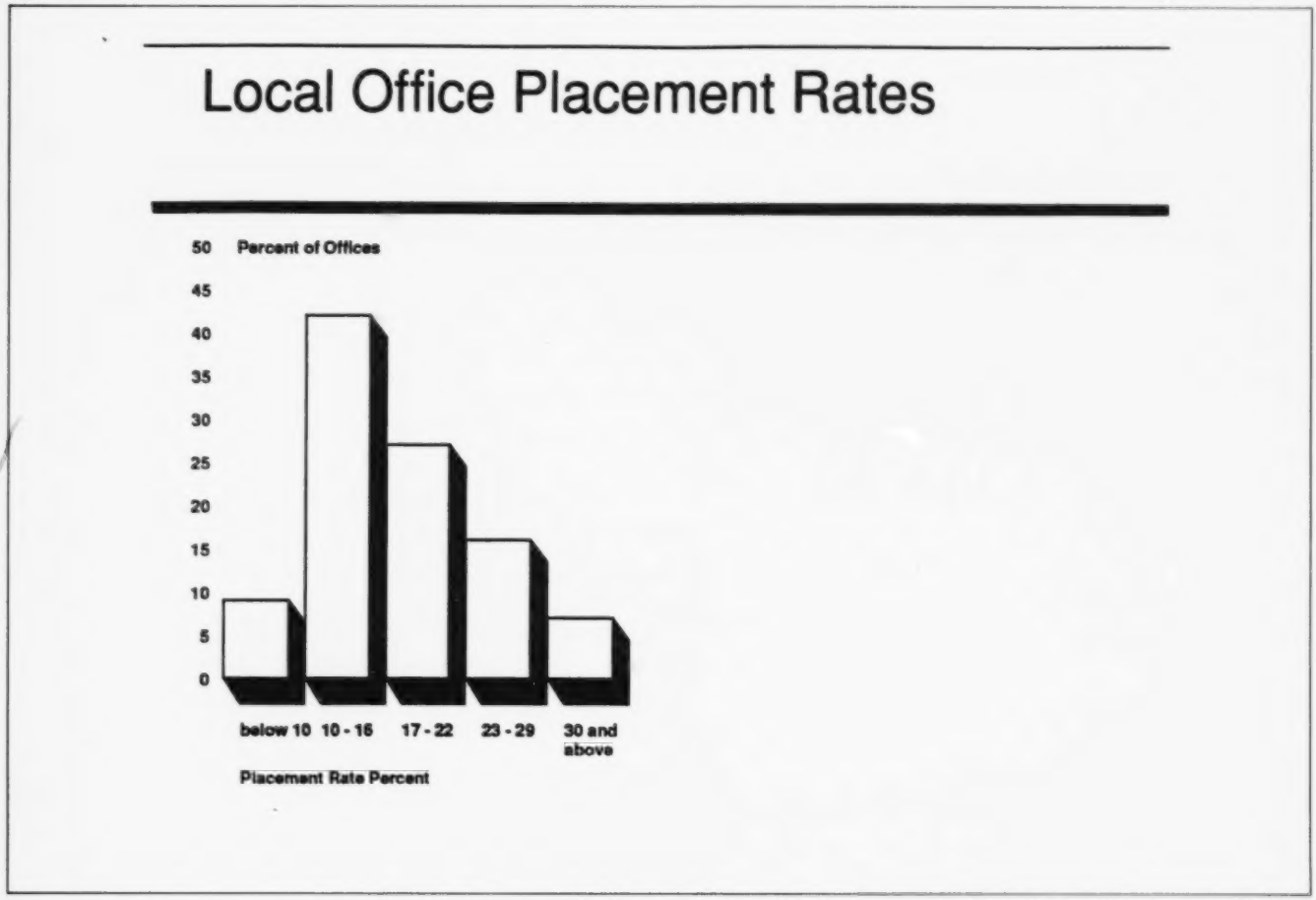

Performance Overview
Some local offices 3 times more likely to place applicants
Concentrations of offices with above or below average performance
Above average performing states have a lower average cost per placement

Analysis of ES Performance

In analyzing performance, we found that even after adjustments for differences in economic and demographic conditions, substantial variations existed among local offices.[4] These variations, however, did not appear in every state. Six states had a relatively high concentration of offices with above average performance, and four states had a high concentration of offices with below average performance. These concentrations indicate that specific state and local policies and practices may contribute to better performance. However, these differences do not appear to be related to the level of resources expended per applicant: Above

[4]Because complete data were unavailable from all local offices, the analysis for job placement rate and placements in more permanent jobs was based on 1,553 local offices and the analysis for wage ratio was based on 1,539 local offices.

Figure 9:

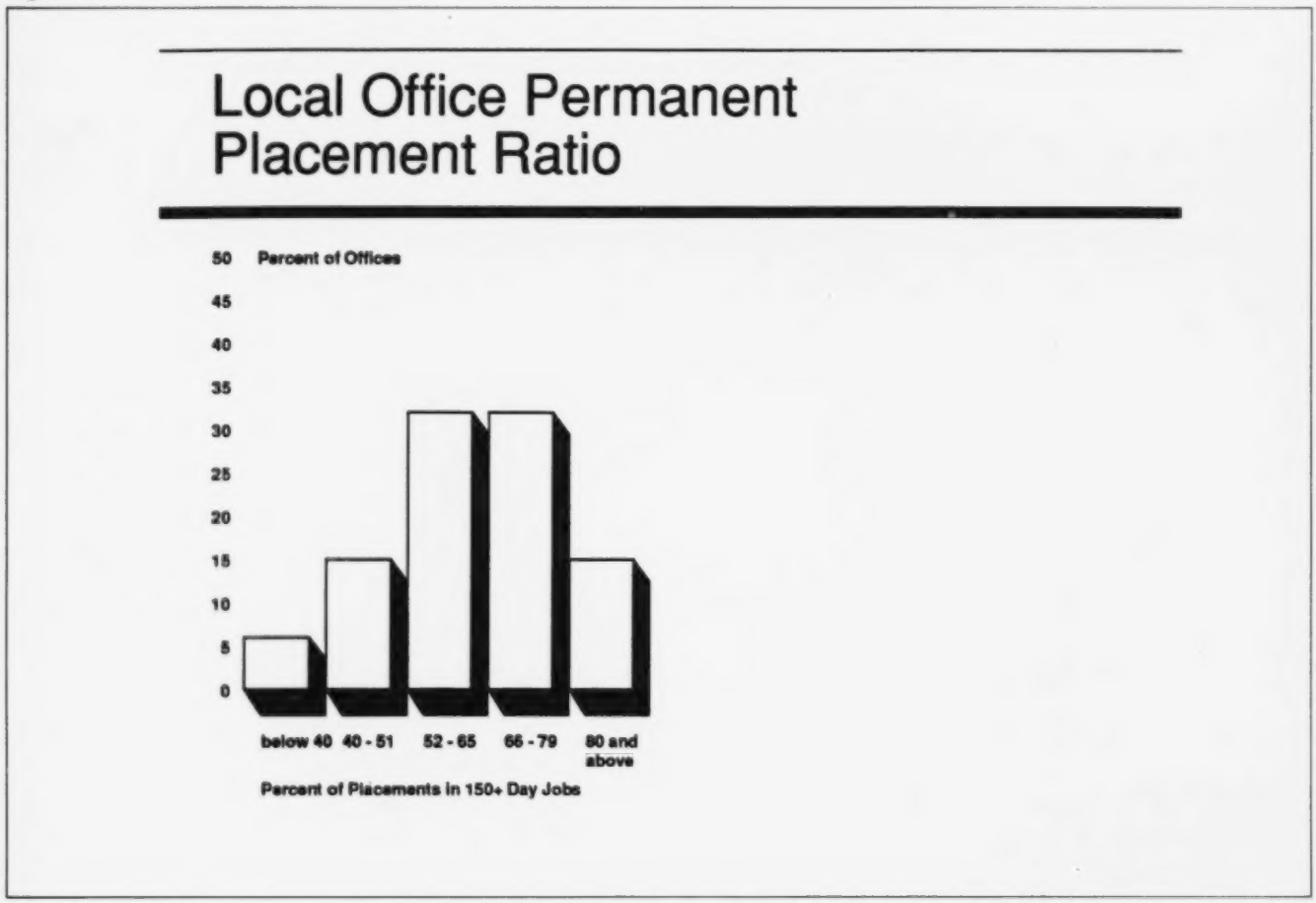


average states spent about the same amount of funds per applicant as below average states. However, because they place a higher proportion of their applicants, above average performing states tended to have lower average costs per placement.

Variations in ES Performance

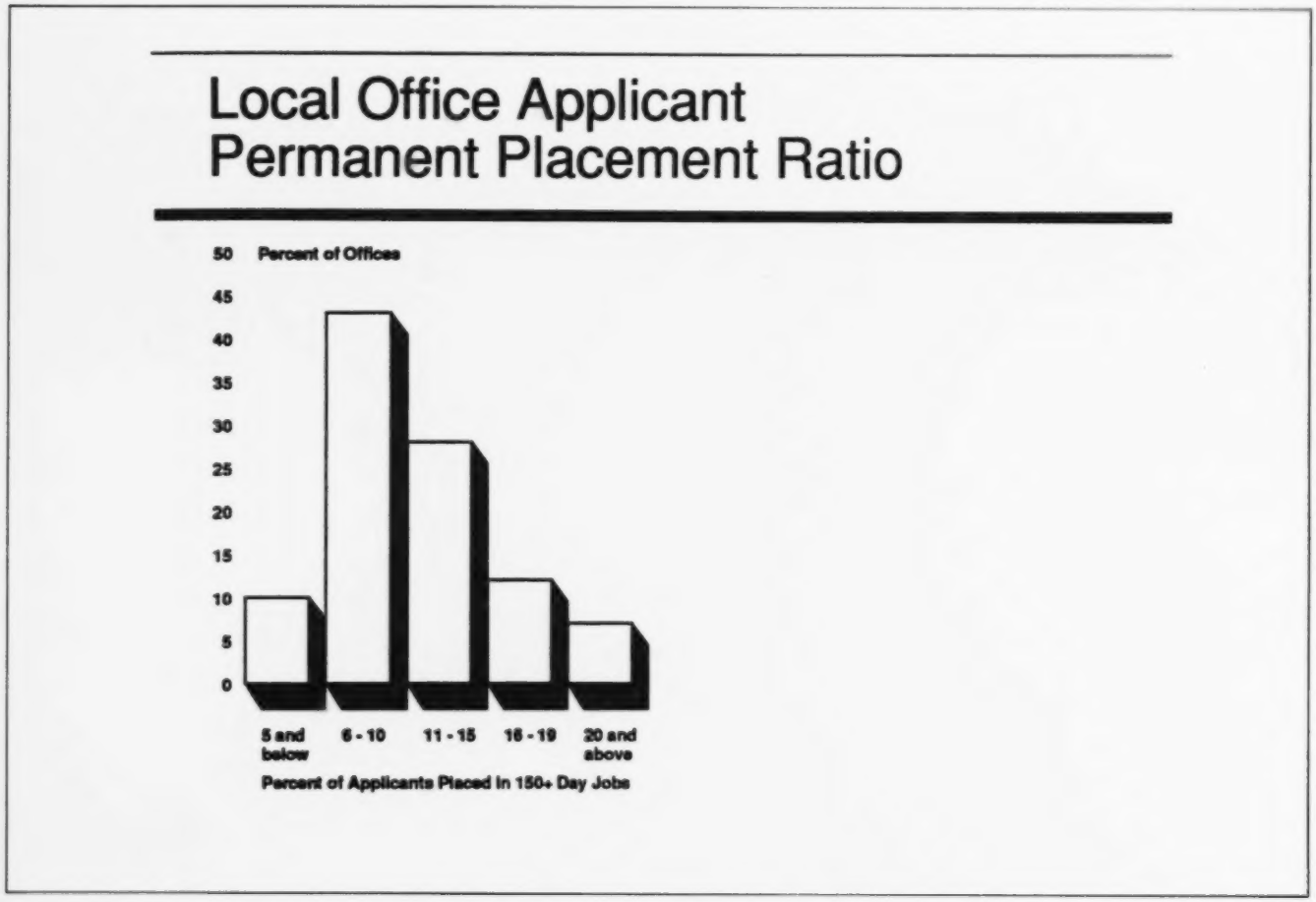
Our analysis of local office placement rates (see fig. 9) showed that for some offices applicants were more than three times as likely to be placed in a job as applicants in other offices. We found that while the average placement rate nationally was about 17 percent, 7 percent of the offices were able to place 30 percent or more of their applicants. However, 9 percent of the offices placed less than 10 percent of their applicants.

Figure 10:



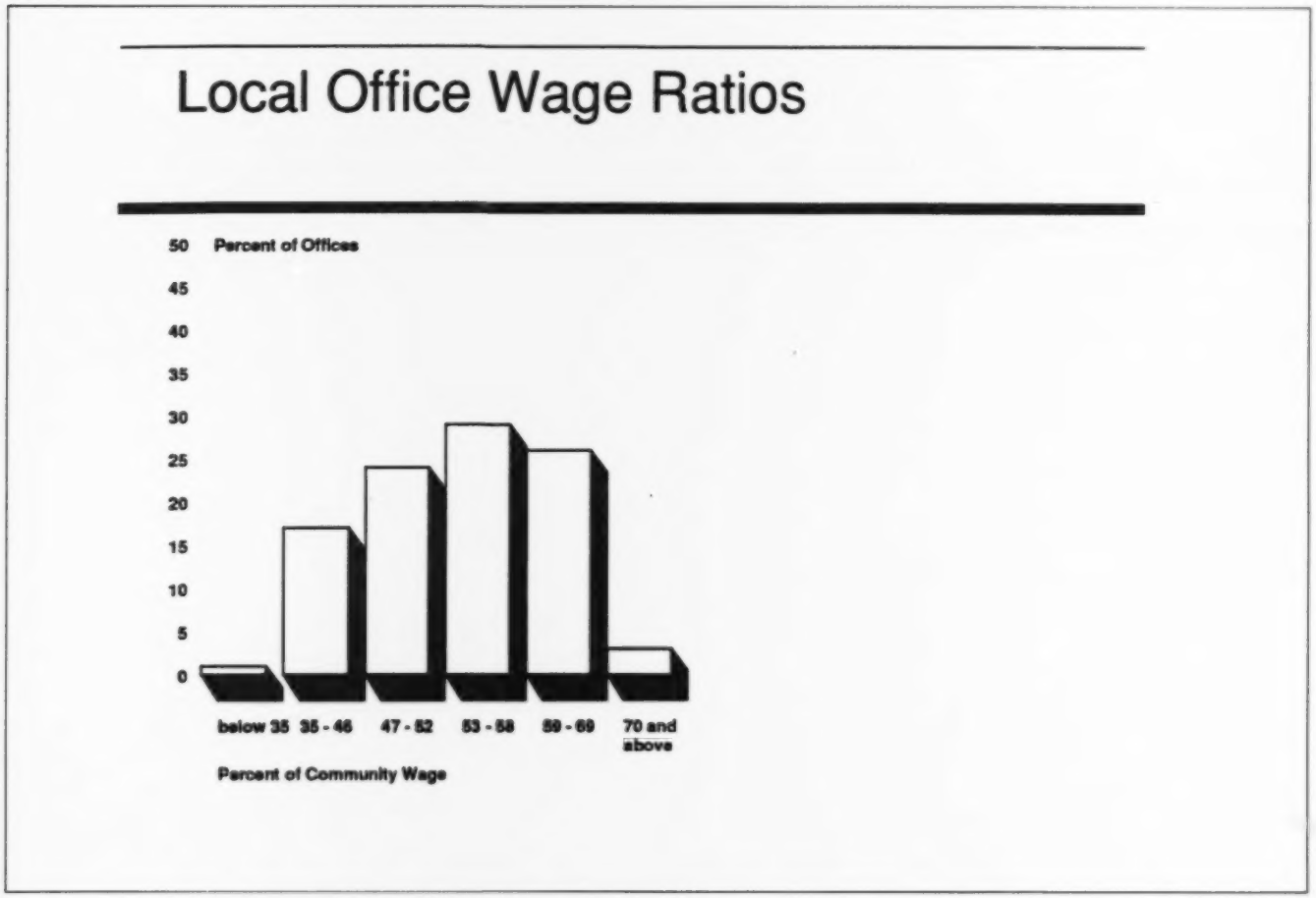
Similarly, our analysis of placements in permanent jobs (see fig. 10) showed that applicants in some offices were twice as likely to be placed in permanent jobs as applicants in other offices. Although the national average for placement in permanent jobs was 66 percent, 15 percent of the offices placed over 80 percent in permanent jobs, and 6 percent placed less than 40 percent in permanent jobs.

Figure 11:



The most substantial variation in performance occurred when we combined the placement rate and placements in permanent jobs to create the local office applicant permanent placement ratio. As shown in figure 11, applicants in some offices had four times as great a chance of being placed in a permanent job as applicants in other offices. Applicants in some offices had a 20 percent or better chance of being placed in a permanent job, while applicants in other offices had a 5 percent or less chance.

Figure 12:



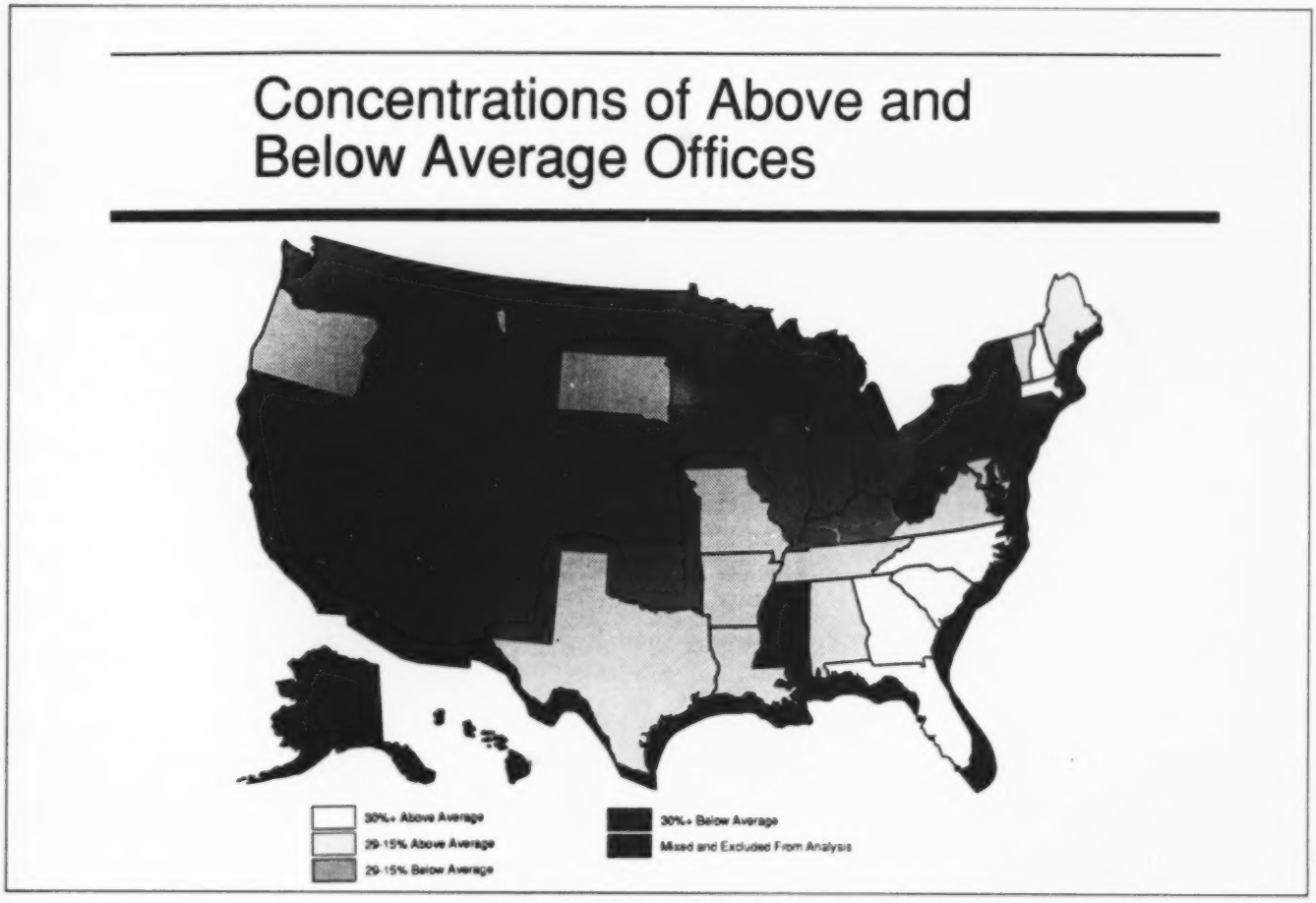
Although placement wage ratios varied among local offices (see fig. 12), the variation was not as substantial as with the other measures—over 50 percent of the offices were within 6 percentage points of the average placement wage ratio of 53 percent.[5]

Concentrations of Offices With Above or Below Average Performance

Variations in performance were very likely more than a random occurrence. Some states tended to have high proportions of offices with above average performance for all three measures in our analysis, while others had high concentrations of offices with below average performance for

[5]According to the Bureau of Labor Statistics, the 1986 national average hourly wage was $8.76.

Figure 13:


Concentrations of Above and Below Average Offices
30%+ Above Average
29-15% Above Average
29-15% Below Average
30%+ Below Average
Mixed and Excluded From Analysis

all three.[6] For example, as shown in figure 13, six states had concentrations of offices with above average performance for all three measures, while four states had concentrations of offices with below average performance for all three. The six states accounted for 40 percent of the above average offices, while the four states accounted for 22 percent of the below average offices. In addition, we found concentrations of local offices within states when we analyzed placements and placements in permanent jobs.

[6]Since 15 percent of all local offices were above average for all three performance measures, we defined a state as having a large concentration of offices above or below average in all three measures if 30 percent or more of their offices were above or below average in all three.

Figure 14:

Above Average States More Cost Effective

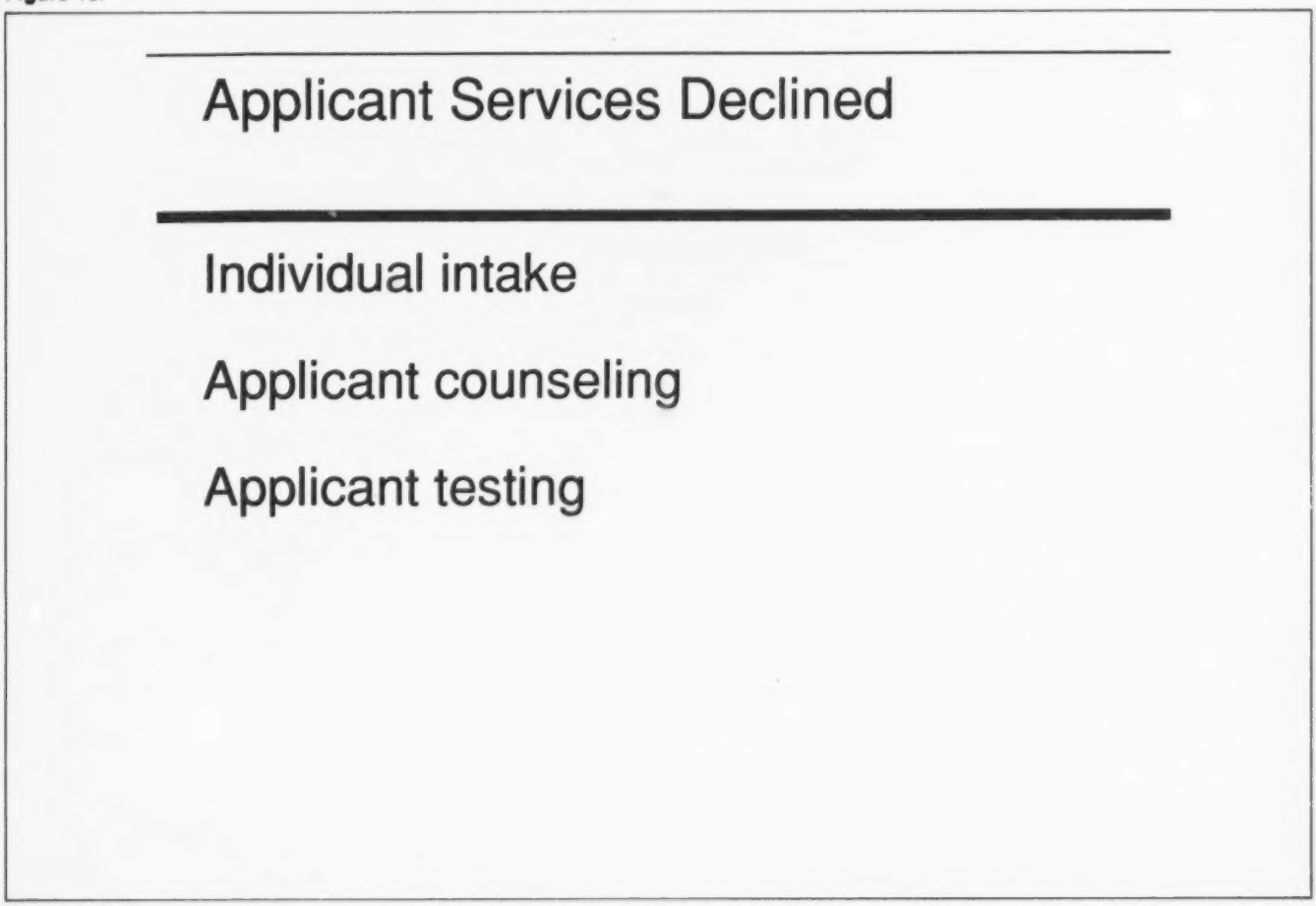
	Cost Per Applicant	Cost Per Placement
Placement rate		
•Above average states	$58	$308
•Below average states	55	400
Permanent job ratio		
•Above average states	54	337
•Below average states	59	370
Wage ratio		
•Above average states	58	339
•Below average states	54	380

Performance and Costs

The concentrations of offices with above or below average performance may indicate that states with above average performing offices have management policies and practices that differ from other states and may contribute to their better performance. However, these concentrations do not appear to be related to the level of resources expended per applicant.

Our analysis of performance and costs showed that above average performing states spent about the same amount of funds per applicant as below average performing states. However, above average states had lower average costs per placement. For example, as shown in figure 14, states with above average placement rates spent about 5 percent more

Figure 15:



per applicant, but were able to place applicants for about 23 percent less than states with below average placement rates.

The analysis of variations in performance and their relationship to state and local office policies and practices will be presented in a later report.

Applicant Services Generally Have Declined

As mentioned earlier, the Employment Service workload remained relatively constant from 1980 to 1987; however, the services provided to applicants generally declined. Our analysis of three critical services—(1) intake and registration, (2) counseling, and (3) testing—showed that local office staff are providing less individualized assistance to applicants and less guidance to applicants in identifying career choices.

Labor data show that since 1980 the number of applicants receiving counseling has declined by about 50 percent. In addition, local offices are relying more on group intake methods rather than the traditional one-on-one method to register applicants. While the use of group intake allowed staff to process more applicants, the average cost per placement was higher in states that used primarily this method.

Use of Individual Intake Declines

According to our survey of local offices,[7] about 27 percent of the offices included in our analysis used group rather than individual intake as their primary method for registering applicants in program year 1986. Further analysis showed that while 31 states used the traditional one-on-one interview as their primary intake method, 13 states used group intake as their primary method in more than half their offices, and 2 states were evenly split between the two methods (see fig. 16).

During registration or intake, job seekers prepare an application that generally describes personal history, education level, work experience, job interests, and wage requirements. The traditional intake method used to gather this information was a one-on-one interview between an ES staff member and a job applicant. Through this interview, staff obtained information concerning applicant qualifications for work, ascertained applicant needs for employment counseling, and gave applicants information on placement opportunities.

In group intake, ES staff provide assistance to two or more applicants at the same time. Although ES staff were able to process more applicants using this method, several state officials preferred the traditional one-on-one assistance during intake. They said the use of group intake reduced the amount of time they spent with each applicant to verify the information and determine the job openings for which the applicant might be best suited. According to a 1986 evaluation of the Wisconsin Employment Service done by that state's Legislative Audit Bureau,[8] staff conducting group intake may provide only a cursory review of completed applications and have little time to correct incomplete or erroneous information or obtain additional data about applicant qualifications.

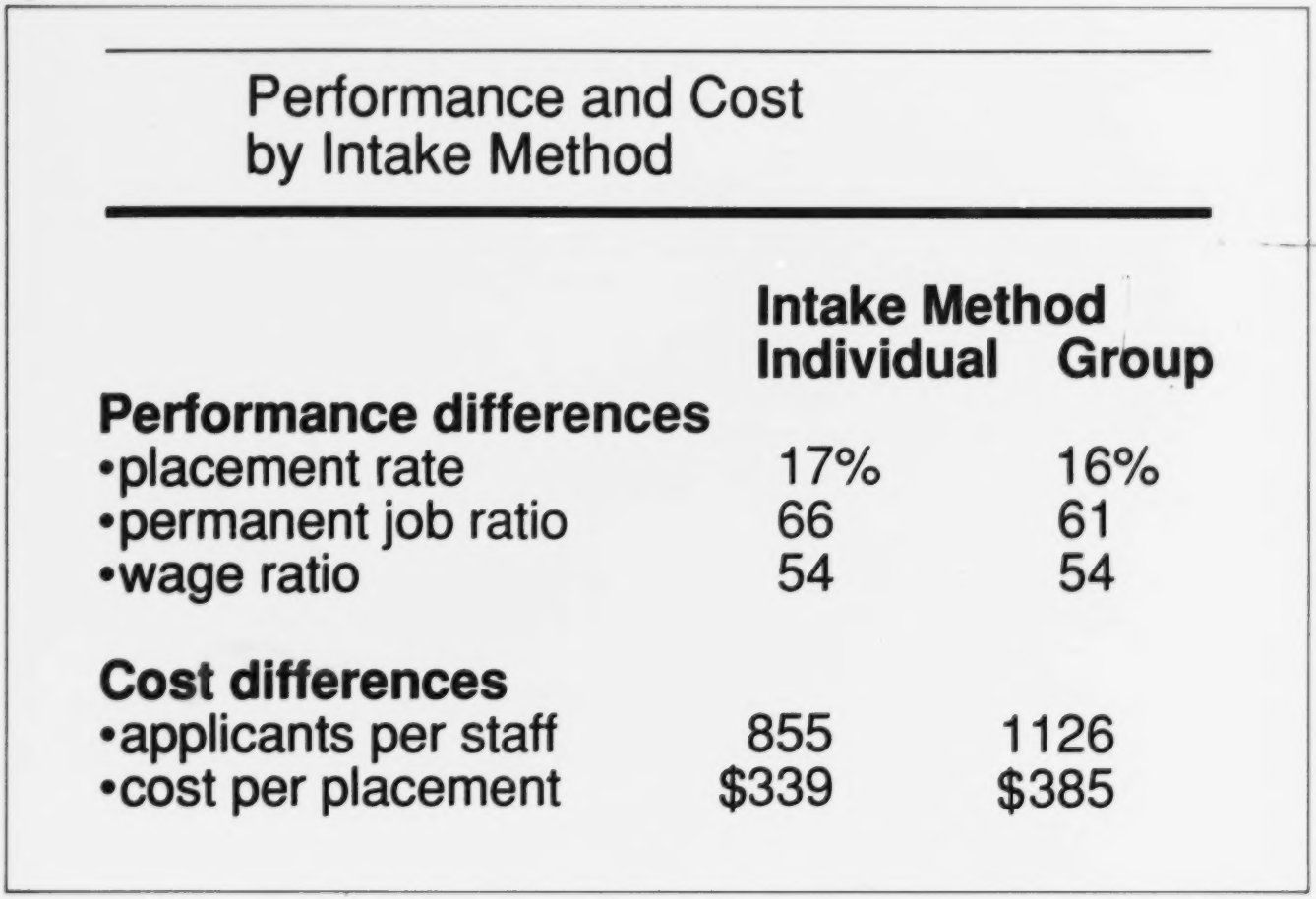
[7]Because data were incomplete for offices in 1 state, the analyis on individual and group intake was based on 46 states.

[8]An Evaluation of Job Service Placement Activities, Department of Industry, Labor, and Human Relations, State of Wisconsin Legislative Audit Bureau, 86-36, Nov. 18, 1986.

Figure 16:

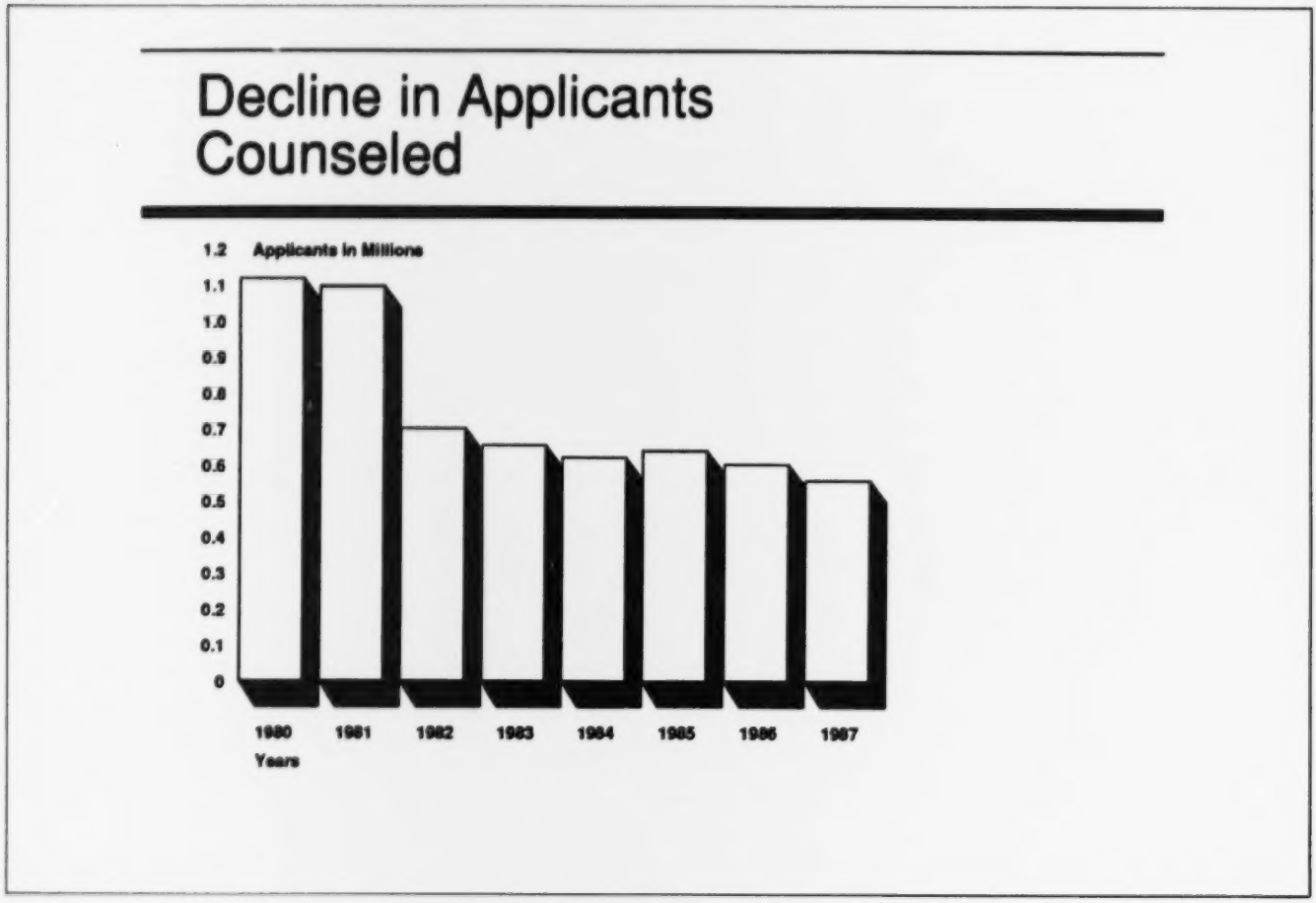
Use of Group and Individual Intake
Group Intake
Individual Intake
Mixed and Excluded From Analysis

Figure 17:



Our analysis showed that ES staff were able to process 24 percent more applicants using group intake—1,126 per staff-year versus 855 for individual intake (see fig. 17). However, group intake had a higher cost per placement than individual intake. States using group intake expended on average 12 percent more funds per placement than states using individual intake. Analysis of the three performance indicators showed little difference between states by intake method.

Figure 18:



Applicant Counseling Declines

According to Labor figures, counseling of ES applicants declined by about 50 percent between 1980 and 1987 (see fig. 18). Counseling is usually provided to individuals with employment barriers who are not currently job ready. Counselors assist applicants in making occupational choices by providing access to employment information, interpreting the results of tests, and helping applicants develop reemployment strategies.

In a January 1989 study, Building a Job Service for the Year 2000: Innovative State Practices, researchers concluded that the value of counseling services may be assumed to be increasing as the educational and training requirements for employment continue to rise. They reported that counseling and testing may help identify applicants' abilities and interests in ways not revealed by application forms and interviews

alone. This added information may lead to improved job matches and greater satisfaction for applicants and employers.

The most dramatic decline in counseling during the 8-year period 1980 to 1987 took place in 1982, when the number of applicants counseled declined by 36 percent. Over the next 6 years this trend continued with a 20-percent drop. In 1987, the number of applicants counseled declined 7 percent.

Several local and state ES officials attribute this decline to budget cutbacks, which have necessitated reducing and, in some cases, eliminating these services. From 1981 to 1987 the number of full- or part-time staff designated as counselors declined by 34 percent. In addition, the proportion of counselors who are full-time counselors has declined from 97 to 78 percent. Six states reported that none of their staff were designated as counselors.

Applicant Testing Reduced

Several state officials also told us they were concerned about the decline in the number of applicants receiving testing services from ES. Labor does not collect data on testing, but state and local ES officials stated that these services have declined over the years. In the 14 offices we visited, 4 had eliminated all applicant testing services and 8 reported limited testing. This decline has taken place despite evidence that testing may increase the number of placements per staff member. A study reporting on the results of a survey on the use of testing concluded that testing increased ES productivity and the proportion of job placements in the labor market. The survey conducted during 1982 in the Raleigh-Durham area of North Carolina compared seven local offices that increased their use of the General Aptitude Test Battery[9] to seven similar offices that did not increase their use of such testing. The comparison showed that placements per staff member increased 18 percent in offices that expanded their use of testing, while placements per staff member in the other offices declined 6 percent. In addition, the study showed that the proportion of labor market job placements accounted for by the Employment Service increased 23 percent for the offices that expanded their use of testing. In contrast, the increase was only 1 percent for the other offices during the same period.

[9]A test used by ES offices to assess applicants' basic abilities or capacities to learn various jobs.

List of Data for Figures

Table 1.1: ES Workload vs. Unemployed Population, 1980-87 (Fig. 2)

Numbers in millions

Year	ES applicants	Unemployed population
1980	21.63	21.41
1981	21.72	23.38
1982	19.56	26.49
1983	20.00	23.76
1984	20.04	21.54
1985	19.91	20.98
1986	19.22	20.70
1987	18.44	18.54

Table 1.2: Total Federal Obligations for State ES Administration, Actual and Adjusted for Inflation, 1980-87 (Fig. 3)

Numbers in millions

Year	Actual	Adjusted
1980	$623.19	$700.06
1981	672.95	690.56
1982	610.74	600.54
1983	620.56	588.77
1984	742.86	681.52
1985	763.40	679.18
1986	744.14	647.64
1987	755.20	636.23

Table 1.3: Local Office Placement Rates (Fig. 9)

Placement rate	Percent of local offices
30 and above	7
29 - 23	16
22 - 17	27
16 - 10	42
Below 10	9
	100

Table 1.4: Local Office Permanent Placement Ratio (Fig. 10)

Permanent placement	Percent of local offices
80 and above	15
79 - 66	32
65 - 52	32
51 - 40	15
Below 40	6
	100

Table 1.5: Local Office Applicant Permanent Placement Ratio (Fig. 11)

Applicant permanent placement ratio	Percent of local offices
20 and above	7
19 - 16	12
15 - 11	28
10 - 6	43
5 and below	10
	100

Table 1.6: Local Office Wage Ratio (Fig. 12)

Wage ratio	Percent of local offices
70 and above	3
69 - 59	26
58 - 53	29
52 - 47	24
46 - 35	17
Below 35	1
	100

Table 1.7: Decline in Applicants Counseled (Fig. 18)

Numbers in millions

Year	Applicants counseled
1980	1.12
1981	1.10
1982	.70
1983	.66
1984	.62
1985	.64
1986	.60
1987	.56

Performance Measures by State

Numbers in percents

State	Placement rate	Permanent placement ratio	Wage ratio
Alabama	17	65	53
Alaska	24	45	50
Arizona	15	69	50
Arkansas	16	79	57
California	23	63	51
Colorado	18	58	52
Connecticut	12	70	50
Florida	21	78	55
Georgia	18	71	58
Idaho	19	56	58
Illinois	15	66	52
Indiana	15	58	51
Iowa	16	55	54
Kansas	16	65	55
Kentucky	18	65	51
Louisiana	19	67	56
Maine	13	74	56
Maryland	20	72	56
Massachusetts	21	79	60
Michigan	11	57	46
Minnesota	14	62	56
Mississippi	15	68	56
Missouri	14	75	57
Montana	20	50	55
North Carolina	22	68	57
North Dakota	25	58	52
Nebraska	25	56	60
Nevada	18	78	55
New Hampshire	22	86	67
New Jersey	13	57	46
New Mexico	20	38	47
Ohio	10	64	52
Oklahoma	14	61	55
Oregon	24	56	59
Pennsylvania	15	60	50
Rhode Island	28	66	53
South Carolina	16	67	59

(continued)

State	Placement rate	Permanent placement ratio	Wage ratio
South Dakota	23	63	57
Tennessee	16	66	54
Texas	17	72	54
Utah	15	75	49
Vermont	15	66	62
Virginia	16	78	58
Washington	18	54	55
West Virginia	14	54	44
Wisconsin	10	64	53
Wyoming	25	52	52

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